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all-correspondence General Manager North Sydney Council
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ABN 32 353 260 317

1 June 2015

The Hon Paul Toole, MP
Minister for Local Government
GPO Box 5341
SYDNEY NSW 2001

DATE RECEIVED

4 JUN 2015

OFFICE OF THE MINISTER
FOR LOCAL GOVERNMENT

Dear Minister

Re: Compliance with Performance Improvement Order

Further to my letter dated 14 May 2015, Council at its meeting on Monday 18 May 2015 considered this matter and resolved:

1. THAT Council advise the Minister for Local Government of its actions in complying with the PIO.
2. THAT Council determine whether it wishes to participate in follow up Conflict Resolution sessions, as proposed by the consultant.

A copy of the report and Council Minutes relating to this matter are attached.

In accordance with the terms of the Order, I also enclose a USB flash drive with the following:

- Council Minutes and recordings for the period 9/12/14 to 30/4/15
- Code of Conduct and Code of Meeting Practice training attendance record
- Outcomes of councillor conflict resolution process
- Outcomes of Council staff surveys
- Media monitoring reports for the period 9/12/14 to 30/4/15

I intend to submit a further report to Council on 22 June 2015 to advise on the conflict resolution process between the Mayor and myself, which was conducted on 26 May 2015 and will forward a copy of that report to you prior to the 26 June 2015 deadline.

Please contact me on 9936 8101 if you have any enquiries.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Warwick Winn', written over a horizontal line.

Warwick Winn
GENERAL MANAGER

Attachments

**DECISION OF 3664th COUNCIL MEETING
HELD ON 18 MAY 2015**

122. GMO02: Compliance with Performance Improvement Order

Report of Warwick Winn, General Manager

The Minister for Local Government, the Hon Paul Toole, on 9 December 2014 issued the Council with a Performance Improvement Order (PIO) under section 438A of the *Local Government Act 1993*.

This report advises Council's compliance with the PIO.

Expenditure on compliance with the PIO to date is \$23,652.68. This figure does not include final expenditure on the training and conflict resolution components of the Order.

Recommending:

1. **THAT** Council advise the Minister for Local Government of its actions in complying with the PIO.
2. **THAT** Council determine whether it wishes to participate in follow up Conflict Resolution sessions, as proposed by the consultant.

Mr MacCallum addressed the Meeting.

RESOLVED:

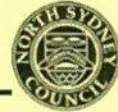
1. **THAT** Council advise the Minister for Local Government of its actions in complying with the PIO.
2. **THAT** Council determine whether it wishes to participate in follow up Conflict Resolution sessions, as proposed by the consultant.

The Motion was moved by Councillor Reymond and seconded by Councillor Bevan.

Voting was as follows:

For/Against 9/0

| Councillor | Yes | No | Councillor | Yes | No |
|------------|--------|----|-------------|--------|----|
| Gibson | Y | | Barbour | Y | |
| Reymond | Y | | Morris | Y | |
| Clare | Y | | Burke | Absent | |
| Baker | Y | | Marchandean | Y | |
| Carr | Absent | | Bevan | Y | |
| Beregi | Y | | | | |



Report to General Manager

Attachments:

1. Performance Improvement Order dated 9 December 2014
2. Email from consultant dated 13/05/15

SUBJECT: Compliance with Performance Improvement Order

AUTHOR: Warwick Winn, General Manager

EXECUTIVE SUMMARY:

The Minister for Local Government, the Hon Paul Toole, on 9 December 2014 issued the Council with a Performance Improvement Order (**PIO**) under section 438A of the *Local Government Act 1993*.

This report advises Council's compliance with the PIO.

FINANCIAL IMPLICATIONS:

Expenditure on compliance with the PIO to date is \$23,652.68. This figure does not include final expenditure on the training and conflict resolution components of the Order.

RECOMMENDATION:

1. **THAT** Council advise the Minister for Local Government of its actions in complying with the PIO.
 2. **THAT** Council determine whether it wishes to participate in follow up Conflict Resolution sessions, as proposed by the consultant.
-

LINK TO DELIVERY PROGRAM

The relationship with the Delivery Program is as follows:

Direction: 5. Our Civic Leadership

Outcome: 5.1 Council leads the strategic direction of North Sydney

BACKGROUND

At its meeting on 15 December 2014, Council considered a report on the PIO and resolved (Min No. 541):

1. *THAT the report be received.*
2. *THAT legal advice on Action Items 5 and 6, in relation to the General Manager's employment contract, be sought.*
3. *THAT the legal advice be reported to the next Council meeting for consideration.*
4. *THAT Council inform the Minister for Local Government that Action Items 1-4 and 7-10 will be implemented immediately and that legal advice is being sought on Action Items 5 and 6, and the Minister for Local Government will be informed once this advice is received.*
5. *THAT Council advise the Minister for Local Government that the temporary advisor attended the 15 December 2014 Council meeting and Council welcomes his advice and is pleased to work with him.*

At its meeting on 20 April 2015, Council considered a further report on the PIO and resolved (Min No. 93)

1. *THAT Council direct the Mayor and General Manager to participate in action items 5 and 6 of the PIO issued by the Minister for Local Government on 09/12/14.*
2. *THAT Council appoint Michael Kirby QC to conduct the conflict resolution process as provided for by action items 5 and 6 of the PIO.*
3. *THAT Council write to the Minister Toole advising him of the content of this resolution and that the General Manager is currently on leave and requesting an extension to fulfil the requirements of the PIO.*
4. *THAT the correspondence received from the Office of Local Government dated 02/04/15 be forwarded to the Audit and Risk Committee.*

CONSULTATION REQUIREMENTS

Community engagement is not required.

Council staff were surveyed by Voice Project in accordance with item 10 of the PIO.

SUSTAINABILITY STATEMENT

The sustainability implications are of a minor nature and did not warrant a detailed assessment.

DETAIL

The following actions have been taken in accordance with the PIO:

| | Action Item | Current status |
|---|--|--|
| 1 | <i>The Mayor and all councillors are to immediately refrain from making allegations at Council meetings that the Mayor and/or one or more councillors have breached the Council's code of conduct.</i> | For noting by Councillors |
| 2 | <i>The Mayor and all councillors must immediately comply with the Council's media policy.</i> | For noting by Councillors. |
| 3 | <i>Council is to, with out delay, engage an independent person or body to monitor the Mayor and councillors' compliance with the Council's media policy with any non-compliances reported to the General Manager.</i> | Council engaged <i>Media Savvy</i> to monitor and report on compliance with the Council's Media Policy by the Mayor and Councillors. |
| 4 | <i>The Mayor and all councillors must participate in a conflict resolution process, conducted by a suitably qualified independent person, in order to resolve the ongoing conflict between them.</i> | A conflict resolution program, including one on one interviews with councillors in March 2015 and a Workshop in May 2015 was conducted by Norman Turkington and Associates. A proposal has been received from the consultant for follow up sessions, at the request of a councillor. A copy is attached. Any further sessions will incur additional costs. |
| 5 | <i>The Mayor must participate in a conflict resolution process, conducted by a suitably qualified independent person, in order to resolve the ongoing conflict between her and the General Manager.</i> | See Council resolution 20/04/15. This process has commenced. |
| 6 | <i>Council is to direct the General Manager to participate in a conflict resolution process, conducted by a suitably qualified independent person, in order to resolve the ongoing conflict between him and the Mayor.</i> | See Council resolution 20/04/15. This process has commenced. |
| 7 | <i>Council utilise the services of the temporary adviser on matters of meeting procedures.</i> | Mr Mike Montgomery was appointed as temporary adviser and attended all Council meetings from 15/12/14 to 20/04/15, as well the Legal and Planning Committee on 2/03/15 and Governance Committee on 13/04/15. |
| 8 | <i>The Mayor and councillors must have due regard to the advice of the temporary adviser on matters of meeting procedures.</i> | For noting by Councillors. At the Council meeting on 20/04/15, the Mayor thanked Mr Montgomery on behalf of North Sydney Council for his assistance and attendance at Council Meetings. |

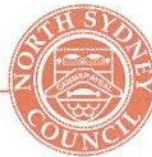
Report of Warwick Winn, General Manager
Re: Compliance with Performance Improvement Order

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| | | |
| 9 | <i>The Mayor and all councillors must participate together in code of meeting practice and code of conduct training</i> | Training was conducted on 13 May 2015. |
| 10 | <i>Council is to measure staff morale and the impact of leadership relationship issues on this, in two stages. The first measures are to be undertaken immediately. The second measure, using the same process, again after four months from the making of this order.</i> | The staff survey was undertaken in January 2015 by <i>Voice Project</i> . Stage 2 was conducted in April 2015. |

Correspondence was forwarded to the Temporary Adviser informing him of the progress of Council's compliance on 17 March, 27 March and 16 April 2015.

A letter was sent to the Minister for Local Government on 23 April 2015 requesting an extension to fulfil the requirements of the PIO. A response to the request from the Minister's office is pending.



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ABN 32 353 260 317

The Hon Paul Toole, MP
Minister for Local Government
Level 33, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

DATE RECEIVED

17 JUN 2015

OFFICE OF THE MINISTER
FOR LOCAL GOVERNMENT

12 June 2015

Dear Minister

RE: Compliance with Performance Improvement Order

Further to my earlier letters of 29 May and 4 June 2015, please note that Council has sought comments from Mr Mike Montgomery AM, Temporary Adviser, pursuant to section 438H of the *Local Government Act 1993*.

In this regard, Mr Montgomery AM has advised that:

I note the obligations of the North Sydney Council and my obligations as the temporary adviser to the Council under s 438 of the Act, and specifically s 438H.

I do not believe that I can make any comments which would add value to these documents.

A copy of Mr Montgomery's AM email is attached for your information.

The documents and information contained in my letters of 29 May and 4 June comprise Council's Compliance Report for the purposes of the Performance Improvement Order. Please let me know if you require Council to resubmit those documents.

Yours sincerely

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Warwick Winn
GENERAL MANAGER



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ABN 32 353 260 317

24 June 2015



Ms Marcia Doheny
Chief Executive
Office of Local Government
Locked Bag 3015
NOWRA NSW 2541

Dear Ms Doheny

Re: Compliance with Performance Improvement Order

Further to my previous correspondence, Council considered this matter at its meeting held on 22 June 2015 and resolved:

- 1. THAT a copy of this report be sent to the Minister for Local Government.*
- 2. THAT Council advise the Minister and Chief Executive of Office for Local Government that Council continues to function exceptionally well and that decisions continue to be made, maintaining quorums, with Council exceeding community expectations on delivery of capital works and services.*

Please contact me on 9936 8101 if you have any enquiries.

Yours sincerely

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Warwick Winn
GENERAL MANAGER

Attachment



Report to General Manager

Attachments:

1. Performance Improvement Order dated 9 December 2014
-

SUBJECT: Compliance with Performance Improvement Order

AUTHOR: Warwick Winn, General Manager

EXECUTIVE SUMMARY:

The Minister for Local Government, the Hon Paul Toole, on 9 December 2014 issued the Council with a Performance Improvement Order (**PIO**) under section 438A of the *Local Government Act 1993*.

This report advises Council's compliance with the PIO.

FINANCIAL IMPLICATIONS:

Expenditure on compliance with the PIO to date is \$ 39383.13. This figure does not include final expenditure on the conflict resolution components of the Order.

RECOMMENDATION:

1. **THAT** a copy of this report be sent to the Minister for Local Government.
-

LINK TO DELIVERY PROGRAM

The relationship with the Delivery Program is as follows:

Direction: 5. Our Civic Leadership

Outcome: 5.1 Council leads the strategic direction of North Sydney

BACKGROUND

At its meeting on 15 December 2014, Council considered a report on the PIO and resolved (Min No. 541):

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- 4. THAT the correspondence received from the Office of Local Government dated 02/04/15 be forwarded to the Audit and Risk Committee.*

At its meeting on 18/05/15 2015, Council considered a further report on the PIO and resolved (Min No.)

- 1. THAT Council advise the Minister for Local Government of its actions in complying with the PIO.*
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CONSULTATION REQUIREMENTS

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| 5 | <i>The Mayor must participate in a conflict resolution process, conducted by a suitably qualified independent person, in order to resolve the ongoing conflict between her and the General Manager.</i> | See Council resolution 20/04/15. This process has concluded. . |
| 6 | <i>Council is to direct the General Manager to participate in a conflict resolution process, conducted by a suitably qualified independent person, in order to resolve the ongoing conflict between him and the Mayor.</i> | See Council resolution 20/04/15. This process has concluded. . |
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| | | |
|-----------|--|--|
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Correspondence was forwarded to the Temporary Adviser informing him of the progress of Council's compliance on 18 December, 19 December, 24 December, 17 March, 27 March, 16 April and 5 June 2015.

A response to Council's request for an extension to fulfil the requirements of the PIO was received on 15 May 2015. The Minister for Local Government granted an extension until 26 June 2015.

A letter was sent to the Minister on 12 June 2015 regarding Council's compliance with the PIO.
